



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE
REFER TO FILE: **T-6**

June 3, 2004

TO: Each Supervisor

FROM: James A. Noyes
Director of Public Works

ADVANCE NOTIFICATION - INTENT TO NEGOTIATE WITH VENDOR AND FILE A REQUEST TO AWARD A TRAFFIC CONTROL SYSTEM AGREEMENT

Notification

This memorandum provides advance notification to your Board that we intend to conduct contract negotiations with Kimley-Horn and Associates, Inc. (Kimley-Horn), for the acquisition, installation, and maintenance of a traffic control system in the unincorporated area of the County. If negotiations are successful, we will seek your Board's approval of the agreement. It is anticipated that the maximum contract sum will not exceed \$2,500,000. Funds would be provided by the Los Angeles County Metropolitan Transportation Authority (Metro) Grant for the San Gabriel Valley Traffic Signal Forum (86 percent) and by the County of Los Angeles Proposition C Local Return Matching Funds (14 percent).

Purpose

This agreement would provide for installation and maintenance of the Kimley-Horn KITS product for traffic signals in the unincorporated areas of the County. Since 1995, we have administered Intelligent Transportation System (ITS) projects on behalf of three subregional areas of the County. The primary system component of these projects is a traffic control system that allows traffic signals to be monitored and controlled from a remote location, such as a traffic management center, city hall, or maintenance yard. The agreement will include a Countywide license, as well as a negotiated price list for other government agencies within the County to purchase this system for their traffic signals.

Metro has provided us with grant funding to administer ITS projects. Metro's deadline to expend these grants is June 30, 2005. The traffic control system is the critical component of the entire ITS program, and any delay in its procurement would jeopardize our ability to expend these grant funds by this deadline.

Once installed, this traffic control system would interface with the County's Information Exchange Network (IEN), thereby allowing for the exchange of arterial traffic data and information between the cities, Caltrans, and the County. This information sharing would provide for implementation of arterial traffic management strategies and coordinated traffic signal operations. It would also enable agencies to work together to reduce response time during traffic incidents and emergencies. This type of capability to monitor and control the operation of traffic signals between jurisdictions would serve to benefit the motorists and transit users who rely on the arterial highways.

Procurement Process and Background

On October 23, 2003, we filed an advance notice with your Board (copy attached) of our intent to conduct contract negotiations with Econolite Control Products, Inc. (Econolite), for the procurement of its traffic control system. As summarized in the attached notice, our Traffic and Lighting Division previously conducted an extensive evaluation of commercial off-the-shelf traffic control systems prior to recommending the commencement of contract negotiations with Econolite. Although a formal request for proposal was not issued, a competitive process was employed that considered all potential traffic control systems capable of serving our needs. This process included an evaluation of 16 potential vendors. Of the initial 16 vendors, nine were invited to conduct system demonstrations. Upon completion of the demonstrations, the list was narrowed to five vendors, all of which were further evaluated by our staff with hands-on testing. Upon completion of the hands-on testing, we further narrowed the list to two possible vendors, Econolite and Kimley-Horn, and conducted site visits to jurisdictions operating these systems. The site visits confirmed that the systems of the two top-ranked vendors were superior to the other systems evaluated.

Prior to entering into negotiations with Econolite, we obtained preliminary price estimates from these vendors in August 2002. Although the total estimates were similar, there were substantial differences in several components of these prices. For example, the proposed license fee for Econolite was more than Kimley-Horn's proposed license fee. Kimley-Horn, on the other hand, proposed additional amounts for professional services to modify and implement its system.

During our negotiations with Econolite, we have had detailed discussions regarding our requirements and proposed modifications to its off-the-shelf system. As a result, we recently obtained a final offer from Econolite that was a substantial increase from the quote originally provided in August 2002. We now believe there is a substantially lower cost system available. Therefore, we wish to commence negotiations with Kimley-Horn.

Since our initial investigation, Kimley-Horn has upgraded its traffic control system, and we believe that approximately half of our original proposed modifications have now been incorporated into its off-the-shelf product, thereby reducing the number of required customizations. Kimley-Horn has also made additional enhancements to its KITS product system. Due to the upgrades that Kimley-Horn has made to its system, the KITS product more closely meets our needs.

We have continued to monitor the traffic control system industry for recent advances in technology among the potential vendors that might impact our ranking of Econolite and Kimley-Horn as the two top-ranked systems. We have determined that only one potential vendor, TransCore ITS, Inc. (TransCore), has recently made substantial revisions and improvements to its traffic control system, known as Transuite. However, based upon our knowledge of the traffic control system industry in general, and our familiarity with TransCore's business practices and pricing policies resulting from our experience in dealing with TransCore in connection with its development of the County's Information Exchange Network (IEN) project (for which the County currently has executed contracts with TransCore at a total cost of over \$4.1 million), we believe that TransCore would not be able to license, implement, and service the Transuite product at a cost that would result in a significant savings to the County.

Moreover, we have not had an opportunity to conduct a thorough evaluation of the Transuite system since such revisions and improvement were made, nor have we ever engaged in any negotiations or discussions with TransCore for the acquisition, implementation, or support of the Transuite system. We believe that a thorough evaluation of the Transuite system, as well as conducting initial negotiations with TransCore to obtain price estimates for the acquisition, implementation, and support of the Transuite system, would take a minimum of 3 to 4 months, and potentially significantly longer. In light of the foregoing, and the upcoming deadlines with respect to project funding sources discussed in prior sections of this memorandum, we have concluded that consideration of TransCore among the top-ranked vendors for the traffic control system is not feasible at this time.

Each Supervisor
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For these reasons, we believe it would be in the best interest of the County to suspend negotiations with Econolite at this time and enter into negotiations with Kimley-Horn. We will continue to work with County Counsel and outside legal counsel that specializes in technology/software contracts to negotiate and develop this agreement. We are also continuing to work with the Chief Information Office to review our purchase.

JJW: sy

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Attach.

cc: Chief Information Office (Howard Baker)
County Counsel (Jose Silva, Victoria Mansourian)
Executive Office



JAMES A. NOYES, Director

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October 23, 2003

TO: Each Supervisor

FROM: James A. Noyes
Director of Public Works

ADVANCE NOTIFICATION - INTENT TO NEGOTIATE WITH VENDOR AND FILE A REQUEST TO AWARD A TRAFFIC CONTROL SYSTEM AGREEMENT

NOTIFICATION

This memo provides advance notification to your Board that we intend to conduct contract negotiations with Econolite Control Products, Inc., for the procurement, installation, and system support for the traffic control system in the unincorporated area of the County. If negotiations are successful, we will file a request with the Executive Office for your Board's approval of the agreement. It is anticipated that the agreement will be for a not-to-exceed cost of \$2,500,000. Funds will be provided by the Los Angeles County Metropolitan Transportation Authority (MTA) Grant for the San Gabriel Valley Traffic Signal Forum (86 percent) with County of Los Angeles Proposition C Local Return Matching Funds (14 percent).

PURPOSE

Since 1995, we have administered Intelligent Transportation System (ITS) projects on behalf of three subregional areas of the County. The primary system component of these projects is a traffic control system that allows traffic signals to be monitored and controlled from a remote location, such as a traffic management center, city hall, or a maintenance yard. This agreement will provide for procurement, installation, and system support of the Econolite Pyramids product for traffic signals in the unincorporated areas of the County. The agreement will also include a Countywide license and negotiated price list for other agencies in the County that purchase this system for their traffic signals.

MTA has provided us with grant funding to administer ITS projects. MTA's deadline to expend these grants is June 30, 2005. The traffic control system is the critical component of the entire ITS program, and any delay in procurement will jeopardize our ability to expend these grant funds by this deadline.

This traffic control system will provide for continuous monitoring of traffic conditions and traffic signal operations and build upon the benefits achieved by the traffic signal synchronization projects currently underway by us. The system will provide once-per-second monitoring of traffic signals. Traffic signal monitoring will provide my engineering staff with immediate notification of signal malfunctions, thereby enabling faster and more efficient maintenance responses. The system also enables traffic signal timing to be controlled and coordinated from remote workstations to adjust to actual traffic conditions. Currently, my maintenance staff can only change traffic signal timing at the actual traffic signal location. The traffic control system will provide two-way communications and control functions between the traffic signal controllers and staff's workstations.

Once installed, this traffic control system will interface with the County's Information Exchange Network, thereby allowing for the exchange of arterial traffic data and information between the cities, Caltrans, and us. This information sharing will provide for implementation of arterial traffic management strategies and coordinated traffic signal operations. It also enables agencies to work together to reduce response time during incidents and emergencies. This capability to monitor and control the operation of traffic signals between jurisdictions will benefit the motorists and transit users that rely on the arterial highways.

PROCUREMENT PROCESS

Our Traffic and Lighting Division conducted an extensive evaluation of commercial off-the-shelf traffic control systems. Although a formal request for proposal was not solicited, a competitive process was employed that considered all potential traffic control systems. We did not consider system cost as the selection of a "low bid" system could result in poor performance, or require extensive training and/or modifications, substantially increasing the financial and resource impacts to the County.

In 1999, two consultants under contract with us asked nine vendors of traffic control systems to respond to our requirements survey. As a result of this survey and the ensuing evaluation, these consultants indicated that several systems might meet our needs. Subsequent to this survey, seven additional vendors approached us

expressing an interest in the procurement. Consequently, our evaluation considered all 16 interested vendors.

Eleven of the initial 16 vendors responded to our request for information. All 11 systems were evaluated for requirements conformance using the same rating criteria and weighted scoring system developed by our outside consultants during the initial evaluation process. Upon reviewing the 11 responses, two systems were eliminated because they clearly did not meet our standards.

The remaining nine vendors were invited to conduct system demonstrations and respond to 16 follow-up questions regarding our requirements. Of the nine vendor demonstrations, four vendors were eliminated because their systems required significant hardware modifications to our existing traffic signals and/or they could not operate across multiple jurisdictions. The requirement to operate without modification to our traffic signals was significant because such changes would increase our costs markedly and cause substantial impact on our staff to complete and incorporate these modifications. The requirement to operate across multiple jurisdictions was also critical because we currently operate traffic signals for numerous other jurisdictions in the County.

The remaining five vendors under consideration were further evaluated by our staff with hands-on testing. The five vendors were each given our evaluation criteria prior to the tests. Each vendor was also provided with both written and verbal reviews of our evaluations of the tests.

In the last step of our evaluation process, we conducted site visits to jurisdictions operating the first and second ranked systems. Upon completion of our evaluation process, we determined that Econolite's Pyramids traffic control system was our preferred choice. Econolite was selected for the following reasons:

- **Ease of Use:** Econolite's system is significantly easier to perform system start-up functions, such as entering traffic signal information into the database, creating the graphical map displays, and establishing the communications links between the map icons and the field devices.
- **Minimal Training:** Econolite's system is intuitive in comparison to the other systems evaluated. Staff can readily locate an icon or pull-down menu to perform a desired function without consulting the users manual.

- Additional Functionality: Econolite's system provides a tracking system for timing complaints made by the public. No other system had this feature.
- Graphical Display: Econolite's system allows staff to locate field devices and download device data via a map display and a hierarchical display. The hierarchical display organizes devices into a tree structure and allows staff to group devices by type, geographical area, or links. This feature will enable staff to monitor and control the County's traffic signal system more efficiently. All other systems evaluated provided only a map display.

We are working with County Counsel and outside legal counsel that specializes in technology/software contracts to negotiate and develop the agreement. In addition, we are consulting with the Chief Information Office to review our purchase.

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cc: Chief Information Office (Howard Baker)
County Counsel (Dave Michaelson)

bc: Diane Lee
Chief Information Office (Ayala)